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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

AZ CORP COMMISSION
DOCUMENT CONTROL

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTEN K. MAYER

IN THE MATTER OF THE APPLICATION
OF SOUTHWEST GAS CORPORATION
FOR PRE-APPROVAL OF COST
RECOVERY FOR PARTICIPATION IN THE
TRANSWESTERN PIPELINE PHOENIX
PROJECT

DOCKET NO. G-01551A-06-0107

PROTECTIVE AGREEMENT

El Paso Natural Gas Company ("EPNG") has requested access to certain documents, data, information, studies and other materials, some of which Southwest Gas Corporation ("SWG" or "Company") alleges may be of a proprietary, confidential or legally protected nature ("Confidential Information").

In order to expedite the provision of information to EPNG, SWG and EPNG (and any independent contracting consultants retained by EPNG for this docket) agree as follows:

1. Confidential Information: All Confidential Information shall be so marked by the disclosing party by stamping the same with a designation indicating its proprietary or confidential nature. Access to and review of Confidential Information shall be strictly controlled by the terms of this Agreement.

2. Use of Confidential Information: All persons who may be entitled to review or who are otherwise afforded access to any Confidential Information shall use such information solely for purposes of preparing and presenting EPNG's position in the above-

1 referenced docket and shall not use or disclose the Confidential Information in any other
2 proceeding or for purposes of business or competition or for any purpose other than as
3 necessary for the disposition of this docket, including preparation for and the conduct of
4 any administrative or appellate proceeding arising out of this docket. All persons entitled
5 to review or afforded access to Confidential Information shall keep it secure as trade
6 secret, confidential, proprietary, or legally protected information in accordance with the
7 purposes and intent of this Agreement.

8 3. Persons Entitled to Review: Access to Confidential Information shall be
9 limited to: (i) attorneys from a single law firm retained by EPNG and appearing on behalf
10 of EPNG in this docket; and (ii) outside experts, consultants and advisors who require
11 access to the information to assist EPNG in this docket. The foregoing notwithstanding,
12 no EPNG employee, nor any contractor or agent other than as expressly specified in the
13 immediately preceding sentence, shall be granted access to any Confidential Information.
14 In addition, no attorney, consultant or other person representing or advising EPNG in the
15 contract and service negotiations in Docket No. RP05-422-000 currently pending before
16 the Federal Energy Regulatory Commission, regardless of whether they have filed
17 testimony or entered an appearance, shall be granted access to any Confidential
18 Information. Persons who review Confidential Information shall be prohibited from
19 representing or advising EPNG or any other party in FERC Docket No. RP05-422-000
20 unless and until all of the Confidential Information is made publicly available by the
21 producing party.

22 4. Nondisclosure Agreement: Confidential Information shall not be disclosed
23 to any person identified in paragraph 3, above, who has not signed a nondisclosure
24 agreement in the form attached hereto and incorporated herein as Exhibit "A." The
25 nondisclosure agreement ("Exhibit A") shall require the person to whom disclosure is to
26 be made to read a copy of this Agreement and to certify in writing that they have reviewed

1 the same and have consented to be bound by its terms. The agreement shall contain the
2 signatory's full name, permanent address and employer, and the name of the party with
3 whom the signatory is associated. Such agreement shall be delivered to counsel for the
4 disclosing party before disclosure is made, and if no objection thereto is registered to the
5 Commission within three (3) business days, then disclosure may follow, subject to the
6 limitations established herein.

7 5. Copies: Only one (1) copy of each document containing Confidential
8 Information requested by a party shall be provided.

9 6. Return: Within 30 days of the final disposition of any administrative or
10 legal proceeding arising in or from this docket, a providing party may submit a written
11 request for the return of all Confidential Information, including copies thereof and notes
12 made by signatories to this Agreement. If such a request is not received within the stated
13 30 days, the receiving party shall destroy, or shall return to the providing party following
14 written notice to the providing party of the receiving party's intent to return or destroy, all
15 Confidential Information, including copies thereof and notes made by signatories to this
16 Agreement and shall certify in writing to the providing party that this has been
17 accomplished.

18 7. Objections to Admissibility: This Agreement is intended to restrict and
19 control the production, use and dissemination of Confidential Information that may be
20 provided by either party to this Agreement. The production of any document,
21 information, data, study or other materials pursuant to this Agreement shall not limit the
22 right of any party to object to its relevance or admissibility.

23 8. Challenge to Confidentiality: This Agreement establishes a procedure for
24 the expeditious handling of information that a party claims is confidential or proprietary;
25 it shall not be construed as an agreement or ruling on the confidentiality or proprietary
26 nature of any document. Any party may challenge the characterization of any

1 information, document, data, study or other material claimed by a providing party to be
2 confidential or proprietary in the following manner:

3 (a) A party seeking to challenge the confidentiality of any materials
4 pursuant to this Agreement shall first contact counsel for the providing party and attempt
5 in good faith to resolve any differences by stipulation.

6 (b) In the event that the parties cannot agree as to the character of the
7 information challenged, any party challenging the confidentiality of any materials shall do
8 so by appropriate pleading. This pleading shall not include or attach the challenged
9 information. This pleading shall:

10 (1) Designate the information, document, data, study or other
11 material challenged in a manner that will specifically isolate the challenged material from
12 other material claimed as confidential; and

13 (2) State with specificity the grounds upon which the information,
14 document, data, study or other material are deemed to be nonconfidential by the
15 challenging party.

16 (c) A ruling on the confidentiality of the challenged information,
17 document, data, study, or other material shall be made by an Administrative Law Judge
18 ("ALJ") after proceedings *in camera*, during which only those persons duly authorized
19 hereunder to have access to Confidential Information shall be present.

20 (d) The record of said *in camera* hearing shall be marked
21 "CONFIDENTIAL - SUBJECT TO PROTECTIVE AGREEMENT IN DOCKET NO. E-
22 01345A005-0895." Court reporter notes of such hearing shall be transcribed only upon
23 consent of the providing party or by order of the ALJ. If a transcript is prepared, it shall
24 be separately bound, segregated, sealed, and withheld from inspection by any person not
25 bound by the terms of this Agreement.

26 (e) In the event that the ALJ should rule that any information, document,

1 data, study or other material should be removed from the restrictions imposed by this
2 Agreement, no party shall disclose such information, document, data, study, or other
3 material, or use it in the public record, for ten (10) business days unless authorized by the
4 providing party to do so. The provisions of this subparagraph are intended to enable the
5 providing party to seek a stay or other relief from an order removing the restriction of this
6 Agreement from materials claimed by the providing party to be confidential.

7 9. Use of Confidential Information in this Docket: Confidential Information
8 provided pursuant to this Agreement shall not be disclosed, nor shall it be made a part of
9 the public record in this docket, or in any other administrative or legal proceeding unless:

10 (a) At least five (5) business days prior to the use of or substantive
11 reference to any Confidential Information (the "Notice Period"), the party intending to use
12 such information shall make that intention known to the providing party.

13 (b) The requesting party and the providing party shall make a good-faith
14 effort during the Notice Period to reach an agreement so the Confidential Information can
15 be used in a manner that will not reveal its confidential or proprietary nature.

16 (c) Upon the expiration of the Notice Period, any Confidential
17 Information identified in the notice as subject to disclosure may become part of the public
18 record in this docket unless the providing party initiates a protective proceeding pursuant
19 to section 10 below to prevent disclosure.

20 10. Protective Proceedings to Prevent Disclosure to the Public: In the event that
21 a providing party seeks to prevent public disclosure of Confidential Information pursuant
22 to Section 10 above, the providing party shall file within five (5) business days of receipt
23 of written notice from the receiving party of an intent to use the Confidential Information
24 a motion presenting the specific grounds upon which it claims that the Confidential
25 Information should not be disclosed or should not be made a part of the public record.
26 The receiving party shall have an opportunity to respond to the motion. The motion may

1 be ruled upon by either the Commission or an assigned ALJ. The providing party may
2 provide to the Commission or the ALJ the Confidential Information referenced in the
3 motion without waiver of its position that the information should remain confidential
4 under the terms of this Agreement. Any Confidential Information so provided shall be
5 kept under seal for the purpose of permitting inspection by the Commission or the ALJ
6 before ruling on the motion. If the Commission or the ALJ determines that the challenged
7 information is proprietary or confidential, then such Confidential Information so provided
8 shall be permanently kept under seal in accordance with the terms of this Agreement.

9 Public disclosure shall not occur until the ALJ or the Commission rules on the
10 motion. If the ALJ or the Commission determines that any Confidential Information
11 provided pursuant to this Agreement should be made a part of the public record or
12 otherwise disclosed, such public disclosure shall not take place for a period of five (5)
13 business days after such determination so that the providing party may seek judicial relief
14 from the ALJ's or the Commission's decision. Upon expiration of the five (5) business-
15 day period, the Commission may release the information to the public unless the
16 providing party has received a stay or determination from a court of competent
17 jurisdiction that the Confidential Information should not be disclosed.

18 11. Use of Confidential Information in Pleadings: Where references to
19 Confidential Information are required in any pleading, brief, argument or motion, such
20 references shall be made by citation of title or exhibit number or some other description
21 that avoids disclosure of the substantive Confidential Information contained therein. Any
22 use of or substantive references to Confidential Information shall be placed in a separate
23 section of the pleading, brief or motion and submitted to the ALJ or the Commission
24 under seal. This sealed section shall be served only on counsel of record. All of the
25 restrictions afforded by this Agreement apply to materials prepared and distributed under
26 this paragraph.

1 12. Judicial Proceedings Related to Non-Party's Request for Disclosure: Where
2 the Commission or ALJ determine that disclosure is not appropriate, the providing party
3 and/or one or more of its affiliates shall join as a co-defendant(s) in any judicial action
4 against the Commission and/or Commissioners by the party seeking disclosure of the
5 information, unless such action specifically names the providing party and/or one or more
6 of its affiliates as the real party in interest. The providing party also agrees to indemnify
7 and hold the Commission harmless from any assessment of expenses, attorneys fees or
8 damages under A.R.S. § 39-121.02 or any other law, resulting from denial of access by
9 the Commission to the information, data, records or study subsequently found to be non-
10 confidential.

11 13. Scope of Agreement: The provisions of this Agreement are specifically
12 intended to apply to all information, documents, data, studies, and other materials supplied
13 by SWG or EPNG, whether the material originated at SWG or EPNG or was provided to
14 SWG or EPNG by some other entity pursuant to an agreement to hold the material in a
15 confidential manner.

16 14. Third-party Beneficiary: SWG and EPNG acknowledge and agree that
17 Transwestern Pipeline Company, LLC is and shall be a third-party beneficiary of the
18 protections afforded by the terms of this Agreement. SWG and EPNG expressly intend
19 and agree that Transwestern Pipeline Company, LLC shall have the right and standing to
20 institute legal action to enforce the terms of this Agreement and shall, for the purposes of
21 such action, be treated as a producing party in accordance with the terms of this
22 Agreement.

23 15. Breach of Agreement: SWG, in any legal action or complaint it files in any
24 court alleging breach of this Agreement shall, at the written request of the Commission,
25 name the Commission as a defendant therein.

26 16. Non-Termination: The provisions of this Agreement shall not terminate at

1 the conclusion of this proceeding.

2 17. Remedies: The parties acknowledge and agree that an exclusive remedy of
3 money damages would not be a sufficient remedy for any breach of this Agreement, and
4 that in addition to all other remedies to which the producing party may be entitled, each
5 such producing party may be entitled to:

6 (a) apply to the ALJ or the Commission, as appropriate, for sanctions
7 against the other party and its legal counsel;

8 (b) specific performance and/or injunctive or other relief as a remedy.
9 Any equitable relief sought or secured hereunder by a party shall not bar recovery for and
10 other remedies available at law or in equity, including without limitation, money damages.

11 DATED this 7 day of APRIL, 2006.

12 SOUTHWEST GAS CORPORATION

13 By: 

14 Andrew Bettwy, General Counsel
15 Southwest Gas Corporation
16 P.O. Box 98510
17 Las Vegas, NV 89193-8510

18 FENNEMORE CRAIG, P.C.

19 By: 

20 Norman D. James
21 Jay L. Shapiro
22 Patrick L. Black
23 3003 North Central Avenue, Suite 2600
24 Phoenix, AZ 85012
25 Attorneys for El Paso Natural Gas Company

26 The original and 13 copies of the foregoing
were filed this 7 day of APRIL, 2006 with:

27 Docket Control
28 Arizona Corporation Commission
29 1200 West Washington
30 Phoenix, AZ 85007

31 Copies of the foregoing were hand-delivered
this 7 day of APRIL, 2006 to:

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Lyn Farmer
Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Christopher Kempley
Keith A. Layton
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

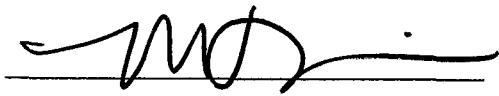


EXHIBIT "A"

I have read the foregoing Protective Agreement dated March 28, 2006, made between Southwest Gas Corporation and El Paso Natural Gas Company in Arizona Corporation Commission Docket No. G-01551A-06-0107 and agree to be bound by the terms and conditions of such Agreement.

Norman D. James

Name

Fennemore Craig

Employer or Firm

3003 N. Central, #2600
Phoenix, AZ 85012

Business Address

EPNG

Party

Norm D. James

Signature

March 28, 2006

Date

1776935.1/15423.003

EXHIBIT "A"

I have read the foregoing Protective Agreement dated March 28, 2006, made between Southwest Gas Corporation and El Paso Natural Gas Company in Arizona Corporation Commission Docket No. G-01551A-06-0107 and agree to be bound by the terms and conditions of such Agreement.

PATRICK J. BAUER

Name

FENNEMORE CRAIG, P.C.

Employer or Firm

3003 N. Central Ave. Ste 2600

PHOENIX, ARIZONA 85012

Business Address

EDN C

Party

[Signature]

Signature

March 28, 2006

Date

1776935.1/15423.003

EXHIBIT "A"

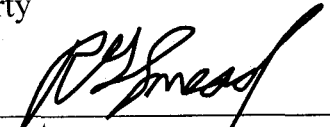
I have read the foregoing Protective Agreement dated March 27, 2006, made between Southwest Gas Corporation and El Paso Natural Gas Company in Arizona Corporation Commission Docket No. G-01551A-06-0107 and agree to be bound by the terms and conditions of such Agreement.

Richard G. Smead
Name

Navigant Consulting, Inc.
Employer or Firm

909 Fannin
Suite 1900
Houston, TX 77010
Business Address

El Paso Natural Gas Company
Party


Signature

March 27, 2006
Date

1776935.1/15423.003

EXHIBIT "A"

I have read the foregoing Protective Agreement dated March 29, 2006, made between Southwest Gas Corporation and El Paso Natural Gas Company in Arizona Corporation Commission Docket No. G-01551A-06-0107 and agree to be bound by the terms and conditions of such Agreement.


Jay L. Shapiro
Name

Fennemore Craig
Employer or Firm

3003 N. Central Ave #2600
PHX Arizona

Business Address

EL PASO Natural Gas
Party


Signature

3/29/06
Date

1776935.1/15423.003